THEWRAP.



"KPop Demon Hunters" and "Elio" (Christopher Smith for TheWrap)

PRO

Original Animated Movies Aren't Dead, They've Just Moved to Streaming | Analysis

With the runaway success of Netflix's "Kpop Demon Hunters" and the muted response to Pixar's theatrical "Elio," a paradigm shift is emerging



Drew Taylor July 14, 2025 @ 6:15 AM

On June 20, two big, original animated movies were released, with two extremely different responses.

"Elio," which follows a lonely little boy who dreams of getting abducted by aliens, arrived in theaters more than a year after it was initially supposed to be released, with warm reviews. It ultimately debuted to $20.8 million, the lowest opening weekend for a Pixar movie in history and has amassed a little more than $96 million worldwide.

Then there was “Kpop Demon Hunters,” produced by Sony Pictures Animation and released via Netflix, an ingenious genre mash-up, inspired by “Sailor Moon” and “Buffy the Vampire Slayer.” It’s a full-on musical and features some of the best songs you’ll hear all year. It was a huge critical hit (97% on Rotten Tomatoes, 77 on Metacritic) and did just as well commercially – was #1 on Netflix in America and was in the top 10 in all countries, with an additional 22.7 million views in its second weekend.

While “Elio’s” performance inspired much hand-wringing in the press, with countless journalists wondering if original animated movies were dead as only sequels seemed to hit at the box office, the contrasting performance of “KPop Demon Hunters” shows that they are, in fact, very much alive — and thriving on streaming.

This dynamic has been in the works for years, a product of the shift to streaming by entertainment companies and a re-training of how audiences — specifically families — view animated content. The new status quo is a lesson that studios can take when making the next bet on an original piece of entertainment.



“KPop Demon Hunters” (Netflix/Sony Pictures Animation)

“Kpop Demon Hunters” co-director Maggie Kang said she felt incredibly lucky to have an original animated movie open in the current climate.

“To not only be working on something original but also something that was culturally very different,” she told TheWrap. “We knew how rare of an opportunity this was, so I think this made us work harder to prove that originals can be loved and be successful.”

And successful, it was.

“KPop Demon Hunters” has been a force just about everywhere. The soundtrack album has been huge — hit song “Golden” alone charted at No. 3 on the global Spotify chart with 4.312 million streams, while the film’s companion album achieved the biggest streaming week for a soundtrack since “Barbie” in 2023. Dance sequences are going viral on TikTok; the Academy of Motion Picture Arts & Sciences posted on X about the movie (“Huntrix didn’t just save the world, they also saved my Spotify Wrapped”); and social media has been flooded with fan art, not just of the Kpop bands but minor characters like a mystical, hat-wearing raven and the so-called derpy tiger. On the Netflix Shop, the movie has its own section, with a T-shirt and plush among the top 5 best-selling items of the year.

On Instagram, “Lilo & Stitch” (the animated one) and “The Wild Robot” director Chris Sanders praised “Kpop” saying, “If you haven’t yet watched it, I highly recommend heading to Netflix.” On X, “Amphibia” creator Matt Braly marveled, “I have never seen an animated movie do this well on Netflix before — full stop. This is something else.”

For her part, Kang praised SPA and Netflix for supporting new ideas.

“There are many artists in our industry who want to create new things, who want to push the boundaries of animation, so as a director it’s great to have places that will support this and are willing to take the risks on new ideas,” she said.

Fellow “Kpop Demon Hunters” director Chris Appelhans added: “Original ideas are the lifeblood of animation in the long term. SPA and Netflix have shown real courage in choosing to pursue them and so as directors we wanted to seize the opportunity in every way possible.”

This phenomenon has actually happened before, in fall 2023, when Netflix debuted an original, Adam Sandler-led comedy called “Leo” against the much more expensive Walt Disney Animation Studios feature “Wish,” which arrived in theaters.

“Wish” was a critical and commercial disappointment — it grossed just $255 million against a budget of $200 million, a far cry from other recent WDAS originals “Moana” ($687 million) and “Zootopia” ($1 billion). “Leo,” meanwhile, became a smash hit for Netflix, becoming the biggest animated feature debut on the streaming service ever, with 34.6 million views in its first six days.

Two years later, and that dynamic has cemented even further, with studios, skittish about the response to theatrical animated originals, becoming more entrenched in franchises, spinoffs and sequels, and instead relegating originals to streaming.

Companies like Netflix appear more than willing to pick up the slack, and audiences are responding in kind.

How we got here

There are a few things that shifted the paradigm, with audiences now expecting original animation on streaming and not in theaters. Chief among them was the pandemic and Disney's response to it.

Disney sent three original Pixar movies, some of the best movies the studio had ever produced, straight to the direct-to-consumer streaming service because of ongoing fears around the safety of the theatrical moviegoing experience and in particular the unease that families felt going with their children. This started with Pete Docter's "Soul," eventually a two-time Oscar winner (including Best Animated Feature), which arrived on the service on Dec. 20, 2020. Enrico Casarosa's "Luca" showed up on June 18, 2021, and Domee Shi's "Turning Red" arrived on March 11, 2022. (Both were eventually nominated for the Best Animated Feature Oscar.)

When Angus MacLane's "Lightyear," which, while tangentially connected to the "Toy Story" franchise, was ostensibly a new sci-fi original, was released a few months after "Turning Red," it marked a return to theatrical releases for the studio — and it severely underperformed with a global box office haul of $226.4 million. "Elemental," released the following summer, eventually made nearly $500 million — but it too had a slow start that had many pundits worrying about the viability of original animated features and Pixar's overall creative health. The New York Times openly declared, "Pixar is damaged as a big-screen brand."



"Soul" (Pixar)

Walt Disney Animation Studios had a similar approach, but the brand wasn't dinged as hard. After the record-breaking "Frozen 2" debuted in theaters months before the pandemic, the studio sent "Raya and the Last Dragon" to both theaters and Disney+, an approach they applied to a handful of live-action movies at the same time. And the original "Encanto," which opened in fall 2021, didn't make money in theaters but became a juggernaut on Disney+ when it arrived that Christmas. Soon after, Disney started referring to the film as the studio's "newest franchise."

Disney originals "Strange World" and "Wish," however, failed to generate interest, and another original, rumored to focus on a Persian princess, was quietly pulled off the schedule for 2024. In its place, the studio hastily reconfigured a "Moana" streaming series into a feature film sequel; it made over $1 billion at the global box office.

A recent exposé on the making of "Elio" contained an interesting anecdote – after a test screening of the movie in Arizona in summer 2023, the gathered audience was asked how many of them would see the film in a theater. According to the report, "not a single hand was raised."

The rest of this year's theatrical animated output is all based on preexisting material – Paramount is opening "The Smurfs" in July and has "The SpongeBob Movie: The Search for SquarePants," a continuation of the long-running transmedia franchise, out this December; DreamWorks Animation is opening "The Bad Guys 2," a sequel to the 2022 hit, in August and has "Gabby's Dollhouse: The Movie," a theatrical extension of a DreamWorks series on Netflix, in late September; and Disney is opening "Zootopia 2," perhaps the most anticipated animated feature of the year and the sequel to the Oscar-winning, $1 billion-grossing 2015 original, this Thanksgiving. Around the same time, a "Zootopia"-themed attraction will open at Disney's Animal Kingdom, part of the sprawling Walt Disney World complex outside of Orlando, Florida.

But as far as original animation, audiences don't have to leave their homes. They just have to turn on Netflix.

The Netflix Effect

Few places are committed to original animation, streaming or otherwise, like Netflix.

The division of the company, led by Hannah Minghella, has one of the most exciting slates of animated features. And while there is the odd franchise film – a "Leo" sequel is being developed and they are releasing an animated "Ghostbusters" project in partnership with Sony Pictures Animation – a vast majority of their output is original. These are films that gain broad viewership and awards recognition (every Netflix movie that has been nominated for the Best Animated Feature, besides last year's "Wallace and Gromit" film "Vengeance Most Fowl," has been an original).

While the studios are betting on theatrical sequels, spinoffs and updates, Netflix is releasing a host of original animated features. In August, they're debuting Genndy Tartakovsky's dirty, brilliant, R-rated "Fixed," a Sony Pictures Animation project that was orphaned when theatrical partner New Line Cinema walked back its commitment. This fall then sees the release of "In Your Dreams," a sweet and gently surreal tale from former Pixar mainstay Alex Woo, and "The Twits," an adaptation of a prickly Roald Dahl story, from Phil Johnston, formerly of Walt Disney Animation Studios.



"Fixed" (Netflix)

The streamer also has a deeply exciting 2026 slate anchored by a pair of Skydance Animation productions – "Pookoo," from "Tangled" director Nathan Greno, that might end up being the most adorable animated feature ever, is coming out earlier in the year; and "Ray Gunn," a long-in-the-works passion project from writer/director Brad Bird, director of "The Incredibles" and "The Iron Giant," will arrive later in 2026.

"Fixed" writer-director Tartakovsky, who said that it, at times, felt like "somebody made a mistake letting us make this movie," is heartened by Netflix's commitment to original storytelling and the latitude it provides filmmakers.

"I feel like they are actually in an incredible position to try a variety of programming. You're not tied down to box office numbers so you could experiment a bit and see what sticks," Tartakovsky said. "It's a very unique position to be in."

As for the response to "Kpop Demon Hunters," Kang said, "It tells me that the audience wants to see original ideas. They want to be challenged and surprised. It is honestly terrifying to make an original feature because it takes so much time and you're questioning yourself the whole way, but it can be really rewarding. So yes, it's scary but I would 100% do it again."

Han Ji-won, who directed the dreamy "Lost in Starlight," Netflix's first Korean animated feature (one heralded by director Bong Joon-ho as "a visual masterpiece that takes you around the universe"), said, "If creative and experimental endeavors, like those seen with Netflix U.S., become more prevalent and widely consumed, leading to more opportunities, it would serve as a significant motivation for creators worldwide. Creators are inspired when they see new possibilities, prompting them to dream and embark on adventures to realize those dreams."

Speaking of, "In Your Dreams" director Alex Woo said, "Working on an original animated feature felt like both a privilege and a responsibility. It was a privilege because our whole team was keenly aware of how rare it is to create something original — especially at the scale and scope of our film."

The response to "Kpop Demon Hunters," Woo said, reflects a few key things:

1. Audiences' hunger for original stories
2. The quality of the films
3. The range of stories that Netflix Animation is telling

"So yes, the support for and response to these original animated features is incredibly encouraging — and it absolutely emboldens me to tell more original stories in the medium I love so much," Woo said.

To infinity and beyond

Next year will serve as the ultimate test for theatrical animated originals.

While streaming will be stocked with these kinds of films, traditional studios are also attempting to introduce new concepts and characters to the masses via one-of-a-kind theatrical experiences.

Pixar has "Hoppers," which looks to be one of the funniest movies ever produced by the studio (it's about a grad student whose consciousness is transported into a robotic beaver); Disney is releasing an animated original, with an as-yet-unannounced director making her feature debut (this will be the studio's first original feature since 2023's borderline disastrous "Wish"); DreamWorks has "Forgotten Island," from "Puss in Boots: The Last Wish" director Joel Crawford and Januel Mercado, with a story based in Philippine mythology; Sony Pictures Animation has "Goat," about a goat who plays basketball (and dreams of being the Greatest Of All Time, obviously); and LAIKA will finally release the long-in-the-works stop motion epic "Wildwood," which was recently described as the studio's most ambitious film yet.



"Hoppers" (Disney/Pixar)

But both DreamWorks and Pixar also have animated sequels coming out in 2026 ("Shrek 5" and "Toy Story 5," respectively); Illumination has a sequel to "The Super Mario Bros. Movie" and the third "Minions" movie on the calendar; Warner Bros. Pictures Animation returns with a fully animated "The Cat in the Hat;" 20th Century has a sixth "Ice Age" movie; and Paramount has "The Legend of Aang: The Last Airbender," a follow-up to its popular animated series "Avatar: The Last Airbender," which ran on Nickelodeon from 2005 to 2008, plus another "Paw Patrol" movie, "Paw Patrol: The Dino Movie."

Will the animated sequels wholly overtake the originals? Or maybe a new paradigm will be written, er, drawn.